

Exhibit 300: Capital Asset Summary

Part I: Summary Information And Justification (All Capital Assets)

Section A: Overview & Summary Information

Date Investment First Submitted: 2009-06-30
Date of Last Change to Activities: 2012-04-27
Investment Auto Submission Date: 2012-02-28
Date of Last Investment Detail Update: 2012-02-28
Date of Last Exhibit 300A Update: 2012-08-31
Date of Last Revision: 2012-08-31

Agency: 015 - Department of the Treasury **Bureau:** 45 - Internal Revenue Service

Investment Part Code: 01

Investment Category: 00 - Agency Investments

1. Name of this Investment: Service Center Recognition/Image Processing System (SCRIPS)

2. Unique Investment Identifier (Ull): 015-000000021

Section B: Investment Detail

- Provide a brief summary of the investment, including a brief description of the related benefit to the mission delivery and management support areas, and the primary beneficiary(ies) of the investment. Include an explanation of any dependencies between this investment and other investments.**

The Service Center Recognition/Image Processing System (SCRIPS) is a major paper input processing system specifically designed to automate the processing of Information Return Processing (IRP) forms, Schedule K-1's (Forms 1041 K-1, 1065 K-1, and 1120 K-1), Form 941 (and associated Schedules B and Schedule R), and Form 940 (and associated Schedule A and Schedule R). SCRIPS scans and stores images of all tax documents processed, saving time by converting the scanned images and data to computer-readable code and providing hardcopy images when requested. This is accomplished using the Optical Character Recognition/Intelligent Character Recognition (OCR/ICR) engine in addition to utilizing 2D bar code recognition which optimizes and automates data entry of the taxpayer data. SCRIPS is one of the front-end input systems that operates at four IRS Submission Processing Centers where forms are received, sorted, and then sent to the scanning areas. SCRIPS sends the electronic taxpayer data to the IRS downstream tax processing systems, including Generalized Mainline Framework (GMF) and Master File for posting to the IRS database, and also Service-Wide Employment Tax Research System (SWETRS) and Statistics Of Income (SOI) for compliance. Images are archived and retained on the system. IRS Customer Service Representatives can request hard copies of images through the Integrated Data Retrieval System (IDRS). SCRIPS processing of these forms directly supports the IRS's ability to administer and collect taxes while supporting voluntary compliance. The IRS has

cited three strategic goals which are a direct link back to the Treasury Department's goals. This specifically has a direct tie to the goal to collect revenue that is due the Federal Government. Images of these documents are used for research while resolving tax liability and compliance issues. SCRIPS processed more than 99 million tax forms in 2010. SCRIPS provides top quality service to all taxpayers through fair and uniform application of the law. SCRIPS will address the Information Reporting Document Matching (IRDM) effort, which is designed to match tax returns to their proper tax filing entity by making modifications to the IRP form via year-end legislative changes.

2. How does this investment close in part or in whole any identified performance gap in support of the mission delivery and management support areas? Include an assessment of the program impact if this investment isn't fully funded.

To address the increasing number, type, and complexity of paper returns received by the IRS, SCRIPS was created to move from a manual, multi-step process needed for line-by-line hand-keying of forms, to a systemic approach using high-speed scanners to scan, number, and block the forms and convert the paper and data to an electronic format. This allowed for more forms to be captured/entered in significantly less staff hours with more accuracy. This also addressed a gap in performance by increasing the speed and accuracy at which tax payer documents could be processed. Additional savings can be realized by eliminating the need to store the paper forms. Instead, the IRS can use the digital form that was scanned as the legal document. If SCRIPS is not fully funded, the IRS would need to significantly increase the number of Full-Time Employees to manually process taxpayer data. This would mean an increased expense to the IRS and the American taxpayer, increased error rate on the downstream data, as well as a delay in the verification of taxpayer compliance.

3. Provide a list of this investment's accomplishments in the prior year (PY), including projects or useful components/project segments completed, new functionality added, or operational efficiency achieved.

- Deployed annual Legislative Tax and Forms changes for Tax Year 2010.
- Implemented mid-year tax law changes, including Hiring Incentives to Restore Employment (HIRE), removal of Advanced Earned-Income Credit (AEIC), and business tax rate extensions.
- Deployed new high-speed scanner/transports to the Submission Processing Centers.

4. Provide a list of planned accomplishments for current year (CY) and budget year (BY).

Mitigate the impact of CY 2011/12 staff retirements, and deliver legislatively-mandated tax year changes to keep the SCRIPS system up-do-date. Numerous system components are at or beyond end-of-life and no longer supported by the original manufacturer and should be replaced. Funding has been requested but the approval process is not yet completed (so it is not reflected in the Summary of Spending Table) which will allow us to replace the HP Servers, EMC Archive Storage, Net App Storage, non-Enterprise Architecture-compliant tape backup system, Image Controllers, Fiber Channel Switches, and update and increase current Redundant Array of Independent Discs (RAID) capacity. Beginning in BY 2013, consider proposals and options to leverage functionality between the SCRIPS and ISRP systems to improve efficiency and reduce costs.

5. **Provide the date of the Charter establishing the required Integrated Program Team (IPT) for this investment. An IPT must always include, but is not limited to: a qualified fully-dedicated IT program manager, a contract specialist, an information technology specialist, a security specialist and a business process owner before OMB will approve this program investment budget. IT Program Manager, Business Process Owner and Contract Specialist must be Government Employees.**

1991-05-03

Section C: Summary of Funding (Budget Authority for Capital Assets)

1.

Table I.C.1 Summary of Funding

	PY-1 & Prior	PY 2011	CY 2012	BY 2013
Planning Costs:	\$0.0			\$0.0
DME (Excluding Planning) Costs:	\$1.3	\$0.0	\$0.3	\$0.3
DME (Including Planning) Govt. FTEs:	\$0.0	\$0.0	\$0.0	\$0.0
Sub-Total DME (Including Govt. FTE):	\$1.3	0	\$0.3	\$0.3
O & M Costs:	\$98.0	\$13.9	\$17.2	\$8.2
O & M Govt. FTEs:	\$11.6	\$2.2	\$2.2	\$2.3
Sub-Total O & M Costs (Including Govt. FTE):	\$109.6	\$16.1	\$19.4	\$10.5
Total Cost (Including Govt. FTE):	\$110.9	\$16.1	\$19.7	\$10.8
Total Govt. FTE costs:	\$11.6	\$2.2	\$2.2	\$2.3
# of FTE rep by costs:	42	15	15	15
Total change from prior year final President's Budget (\$)		\$0.0	\$0.0	
Total change from prior year final President's Budget (%)		0.00%	0.00%	

2. If the funding levels have changed from the FY 2012 President's Budget request for PY or CY, briefly explain those changes:

Section D: Acquisition/Contract Strategy (All Capital Assets)

Table I.D.1 Contracts and Acquisition Strategy

Contract Type	EVM Required	Contracting Agency ID	Procurement Instrument Identifier (PIID)	Indefinite Delivery Vehicle (IDV) Reference ID	IDV Agency ID	Solicitation ID	Ultimate Contract Value (\$M)	Type	PBSA ?	Effective Date	Actual or Expected End Date
Awarded	3460	TIRNO03D00003	TIRN003D00003	2050							
Awarded	3460	TIRNO-11-D-00027	TIRNO-11-D-00027	2050							

2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:

Exhibit 300B: Performance Measurement Report

Section A: General Information

Date of Last Change to Activities: 2012-04-27

Section B: Project Execution Data

Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
LEG-01	Annual Legislative Changes	Update SCRIPS system to include approved legislative changes.			

Activity Summary

Roll-up of Information Provided in Lowest Level Child Activities

Project ID	Name	Total Cost of Project Activities (\$M)	End Point Schedule Variance (in days)	End Point Schedule Variance (%)	Cost Variance (\$M)	Cost Variance (%)	Total Planned Cost (\$M)	Count of Activities
LEG-01	Annual Legislative Changes							

Key Deliverables

Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
LEG-01	On-Time Legislative Changes	Perform updates to SCRIPS system based on on-time legislative changes. Includes reviewing Unified Work Requests (UWR),	2012-09-10	2012-09-10		182	0	0.00%

Key Deliverables								
Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)

creating Statement Of Work (SOW), and issuing Task Orders (TO) to the SCRIPS vendor to update the SCRIPS system.

Section C: Operational Data

Table II.C.1 Performance Metrics

Metric Description	Unit of Measure	FEA Performance Measurement Category Mapping	Measurement Condition	Baseline	Target for PY	Actual for PY	Target for CY	Reporting Frequency
The percentage of time the SCRIPS system is available per month for processing (system up-time).	percentage	Technology - Reliability and Availability	Over target	99.000000	0.000000	99.000000	99.000000	Monthly
Average number of tax return-related documents processed per hour (for all sites).	numeric	Customer Results - Customer Benefit	Over target	360.000000	360.000000	0.000000	360.000000	Monthly
Percent of tax return image print requests fulfilled within 2 days.	percent	Customer Results - Timeliness and Responsiveness	Over target	100.000000	0.000000	2.000000	100.000000	Monthly
Number of High Priority (P1) trouble tickets not closed within 4 hours.	numeric	Technology - Reliability and Availability	Under target	0.000000	0.000000		0.000000	Monthly
Maintain a character recognition error rate on scanned forms of no more than 4% per month.	percent	Technology - Effectiveness	Under target	4.000000	4.000000	2.710000	4.000000	Monthly
Number of Moderate Priority (P2) trouble tickets not closed within 24 hours.	numeric	Technology - Reliability and Availability	Under target	1.000000	1.000000		1.000000	Monthly